Consolidation of banking sector

2028. SHRI D. RAJA:
SHRI R.C. SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the PM's honorary economic advisor Mr. Raghuram Rajan has advised against his Ministry's proposed consolidation in the banking sector particularly in the context of the Public Sector Banks; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) No, Sir. The Raghuram Rajan Committee, in general, has recommended to encourage, but not force, consolidation amongst Public Sector Banks (PSBs). The Committee has observed that given the fragmented nature of the Indian banking system and the small size of the typical bank, some consolidation may be in order for banks that aim to play on a larger stage. Government is of the view that the initiatives for consolidation amongst the PSBs should emanate from the management of the banks themselves with Government playing a supportive role as the common stakeholder.

Income tax slabs for industries

2029. SHRIMATI JAYANTHI NATARAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the income tax slabs are similar for the big, medium and small and micro industries;

(b) if so, the details thereof and the reasons for such a policy; and

(c) whether Government proposes to have separate slabs of income tax for micro and small enterprises to promote and sustain this sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Income tax slabs for the big, medium, small and micro industries are dependent on the 'status' of the industry. The details of income tax slabs for different status are as under:-

(i) In the case of individual (proprietary concern) the rates are as follows :-

Upto Rs. 1,60,000/-	Nil.
Rs. 1,60,001/- to Rs. 3,00,000/-	10 per cent.
Rs. 3,00,001/- to Rs. 5,00,000/-	20 per cent.
Above Rs. 5,00,000/-	30 per cent.

No surcharge is levied in the cases of individual assessee.

(ii) In the case of firms, the rate of income-tax is 30 percent on whole of the total income. However the salary and interest on capital received by a partner is allowed